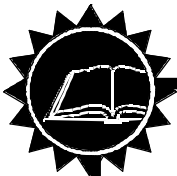


Session 3

Return of Title IV Funds



RESOURCES

Code of Federal Regulations:	34 CFR Section 668.22
Higher Education Act:	Section 484 B
Department of Education Guidance:	GEN-89-38 (SSIG/LEAP Guidance) Policy Bulletin, January 7, 1999 (Institutional Changes)
June 1999 Blue Book:	FSEOG Match (page 3-13) Title IV Reporting, NSLDS, Audit Program Review, and Guaranty Agency Procedures (page 6-18)
1999-2000 Federal Student Aid Handbook:	Campus-Based Programs (pages 4-11 to 4-13)



Session 3: Return of Title IV Funds

3-1



Session 3: Learning Objectives

At the end of this session, you will know:

- New guidelines concerning students who receive Title IV aid and withdraw
- Steps used in calculating the return of Title IV funds
- Various responsibilities schools and students have
- Basic features of software that will calculate the treatment of Title IV funds

3-2

Return of Title IV Funds

- Old policy = Refund/repayment
- New policy = Return of Title IV funds
- Applies only to Title IV funds
- One simplified formula for all
- Schools to implement new policy:
 - October 7, 2000, or
 - Earlier, if school chooses

3-3

The treatment of Title IV funds policy becomes effective for students who withdraw on or after October 7, 2000. Schools may choose to implement the policy earlier. If so, all provisions of the final regulation must be implemented in their entirety along with other considerations.

Treatment of Title IV Funds: Steps in Calculation

- Step 1: Collect Information about Student's Title IV Aid
- Step 2: Calculate Percentage of Title IV Aid Earned by the Student
- Step 3: Calculate Amount of Title IV Aid Earned by the Student
- Step 4: Determine if Student Is Due Post-Withdrawal Disbursement *or* if Title IV Aid Must Be Returned

3-4

Treatment of Title IV Funds: Steps in Calculation (cont.)

- Step 5: Calculate Amount of Unearned Title IV Aid Due from the School
- Step 6: Determine Return of Funds by School
- Step 7: Calculate Initial Amount of Unearned Title IV Aid Due from Student
- Step 8: Determine Return of Funds by Student

3-5

Post-Withdrawal Disbursement Tracking Sheet

Student's Name _____ Social Security Number _____

Amount of Post-Withdrawal Disbursement

A. Amount from Box E of "Treatment of Title IV Funds When a Student Withdraws" Worksheet A \$ _____.

Post-Withdrawal Disbursement Credited to Student's Account

B. Total outstanding charges on student's account B \$ _____.

C. Total amount of post-withdrawal disbursements credited to student's account

- Amount of post-withdrawal disbursement credited for tuition, fees, room and board (if student contracts with the institution) \$ _____
- Amount of post-withdrawal disbursement credited for other current charges + \$ _____
- Amount of post-withdrawal disbursement credited for minor prior year charges + \$ _____

Total Amount Credited to Account

C \$ _____.

D. Student and/or parent authorization to credit account for other current charges or minor prior year charges (if necessary) obtained on ____/____/____

E. If a post-withdrawal disbursement of loan funds is credited to account, date of notification to student and/or parent ____/____/____

Post-Withdrawal Disbursement Offered to Student/Parent

F. Total amount of post-withdrawal disbursement (Box A) – amount of post-withdrawal disbursement credited to student's account (Box C) = Total amount to offer to student/parent F \$ _____.

G. Notification sent to student and/or parent on ____/____/____

H. ☐ Response received from student/parent on ____/____/____

☐ Response not received

I. Amount accepted

I \$ _____.

J. Accepted funds sent on ____/____/____

Post-Withdrawal Disbursement Made From

Pell Grant	_____	Subsidized FFEL/Direct Stafford Loan	_____
FSEOG	_____	Unsubsidized FFEL/Direct Stafford Loan	_____
Other Title IV programs (grants)	_____	Perkins Loan	_____
		FFEL/Direct PLUS	_____
		Other Title IV programs (loans)	_____

3-6

Date of Institution's Determination that Student Withdrew

- Date school had knowledge of student's withdrawal
- "Trigger" for various requirements

3-7

Payment Period versus Period of Enrollment

- Term-based program = payment period
- Non-standard term based *or* non-term based program may choose either method
 - May choose on a program-by-program basis
 - Must be consistent with application of method used

3-8

Rounding Rules Percentages

- Calculate out to 4 decimal places
 - 45 days / 101 days = .4455
 - 200 hours / 450 hours = .4444
- Round to third decimal place
 - .4455 = 44.6%
 - .4444 = 44.4%

3-9

Rounding Rules Dollar Amounts

- Round to nearest penny
 - \$2,346.00 x 44.6% = \$1,046.316 or \$1,046.32
 - \$2,346.00 x 44.4% = \$1,041.624 or \$1,041.62
- Aid returned *may be* rounded to nearest dollar
 - \$1,046.32 = \$1,046
 - \$1,041.62 = \$1,042

3-10

Step I: Student's Title IV Aid Information

- Title IV aid disbursed
- Title IV aid that could have been disbursed
- Exclude FWS earnings
- Exclude non-Title IV aid
 - Institutional awards
 - State grants
- Include other Title IV programs

3-11

Other Title IV Programs

- State grants funded by LEAP in any amount
- Include 100% of state grant amounts
 - Refer to GEN 89-38 for more guidance
 - LEAP formerly known as SSIG

3-12

Eligible Title IV Recipient

Must meet requirements of §668.164 (g) (2):

- School received SAR or ISIR with EFC
- For Pell, school received valid SAR or ISIR
- For Perkins or FSEOG, student awarded
- For Direct Loan, school originated record
- For FFEL, school certified loan application
- For Direct/FFEL Loans, 1st year, 1st time borrower completed first 30 days of program

3-13

FSEOG Nonfederal Match

Fund Type	Award Letter Notice	Treatment of Title IV Funds
Individual Matching Fund The school provides a 25% share to match the 75% FSEOG funds on an individual recipient basis.	FSEOG Amount: \$ 750 Institutional FSEOG Matching Fund Award: \$ 250 Total FSEOG Award: \$1,000	 Listed on Worksheet \$ 750
Aggregate Matching Fund Example 1: The school awards institutional scholarships/grants or qualified state assistance to provide the aggregate sum of the qualifying match to meet the 25%.	FSEOG Amount: \$ 750 Institutional Scholarship: \$ 250 Total FSEOG Award: \$1,000	 Listed on Worksheet \$ 750
Aggregate Matching Fund Example 2: The school awards institutional scholarships/grants or qualified state assistance to provide the aggregate sum of the qualifying match to meet the 25%. (See 1999-2000 Federal Student Aid Handbook: Campus-Based Programs, pages 4-11 to 4-13.)	FSEOG Amount: \$ 750 Institutional Scholarship: \$ 0 Total FSEOG Award: *\$ 750 *Another student (with FSEOG) had an amount of institutional scholarship large enough to cover this student's 25% institutional matching amount. The matching is based on the sum in the aggregate, not on the individual.	 Listed on Worksheet \$ 750
Fund Specific Matching 25% school funds commingled with 75% Federal dollars from FSEOG = 100% FSEOG money.	FSEOG Amount: \$1,000 Total FSEOG Award: \$1,000	 Listed on Worksheet \$1,000

3-14

Student's Name _____ Social Security Number _____

Date Form Completed ____ / ____ / ____ Date of the institution's determination that the student withdrew ____ / ____ / ____

Period used for calculation (check one) ☐ payment period ☐ period of enrollment

Monetary amounts should be in dollars and cents (rounded to the nearest penny). Round to three decimal places when calculating percentages. For example, .4486 would be .449, or 44.9%.

STEP 1: Student's Title IV Aid Information

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed		Amount Disbursed	Amount That Could Have Been Disbursed
1. Unsubsidized FFEL/Direct Stafford Loan	_____	_____	5. Pell Grant	_____	_____
2. Subsidized FFEL/Direct Stafford Loan	_____	_____	6. FSEOG	_____	_____
3. Perkins Loan	_____	_____	7. Other Title IV programs*	_____	_____
4. FFEL/Direct PLUS	_____	_____			

*Do not include FWS.

A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment

A

\$ _____ .

B. Total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment

B

\$ _____ .

3-15

Step 2: Percentage of Title IV Aid Earned

First determine percentage of period completed

$$\div \frac{\text{Number of days / hours completed}}{\text{Number of days / hours in period}}$$

= Percentage completed

3-16

Withdrawal Date School Required to Take Attendance

- Required by outside entity
- Required to take attendance for entire period
- Requirement might apply only to specific groups of students
- Withdrawal date taken from attendance records

3-17

Withdrawal Date **School Not Required to Take Attendance**

- Earlier of date student began school's withdrawal process or date student otherwise provided "official" notice; or
- If student didn't notify school, midpoint in period; or
- If student didn't notify due to circumstances beyond student's control, date related to that circumstance; or

3-18

Withdrawal Date **School Not Required to Take Attendance** **(cont.)**

- If student didn't return from approved leave of absence, date school determines leave began; *or*
- If student took unapproved leave of absence, date student began leave; *or*
- Date of student's last attendance at documented academically-related activity

3-19

Withdrawal Date Taken from Academically-Related Event

Requirements:

- Must document that activity is academically-related
- Must document student's attendance

Examples:

- Attending class
- Taking exam
- Completing tutorial
- Computer-assisted instruction
- Academic counseling or advisement
- Turning in assignment

3-20

Official Notice

- Notice of intent to withdraw that the student provides to an office (or offices)
 - In writing, *or*
 - Orally
- Must designate at least one office students can readily contact

3-21

Approved Leave of Absence

- School has formal policy
- Student followed policy in requesting leave
- School determines it's reasonable to expect student will return from leave
- School approved student's request for leave
- No additional institutional charges are generated during leave

3-22

Approved Leave of Absence (cont.)

- Only leave granted in a 12-month period
- Leave does not exceed 180 days in any 12-month period
- Upon student's return, student is allowed to complete coursework started prior to leave
- If student received title IV, HEA loan, school explained to student effects of failure to return on loan repayment terms

3-23

Schools can allow one additional approved leave (not to exceed 30 days) for unforeseen circumstances. Additional subsequent leaves may be granted for jury duty, military reasons, or circumstances covered under the FMLA of 1993.

Approved Leave of Absence (cont.)

- Unless student doesn't return, approved leave of absence is not a withdrawal
- Student taking approved leave retains in-school status
- If student loan borrower doesn't return from approved leave, grace period starts retroactively date the leave began

3-24

Rescinding Official Notification

- School may allow rescission
- Student must submit written statement
- If student stops attending subsequent to rescission, withdrawal date is original date of notice of intent to withdraw
 - School may use later date based on student's attendance at academically-related event

3-25

Withdrawal without Notification School Not Required to Take Attendance

- May use mid-point of period
 - Student automatically earns 50% of Title IV aid received
- School may use later or earlier date based on student's attendance at academically-related event

3-26

Treatment of Title IV Funds When a Student Withdraws from a Credit Hour Program

Student's Name _____ Social Security Number _____

Date Form Completed ____/____/____ Date of the institution's determination that the student withdrew ____/____/____

Period used for calculation (check one) ☐ payment period ☐ period of enrollment

Monetary amounts should be in dollars and cents (rounded to the nearest penny). Round to three decimal places when calculating percentages. For example, .4486 would be .449, or 44.9%.

STEP 1: Student's Title IV Aid Information

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed	Amount Disbursed	Amount That Could Have Been Disbursed
1. Unsubsidized FFEL/Direct Stafford Loan	_____	_____	5. Pell Grant	_____
2. Subsidized FFEL/Direct Stafford Loan	_____	_____	6. FSEOG	_____
3. Perkins Loan	_____	_____	7. Other Title IV programs*	_____
4. FFEL/Direct PLUS	_____	_____	*Do not include FWS.	

A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment A \$.

B. Total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment B \$.

STEP 2: Percentage of Title IV Aid Earned

C. • If school is not required to take attendance and student withdrew without notification, enter 50% in Box C and proceed to Step 3. If school may enter a last date of attendance at an academically-related activity for "withdrawal date" and proceed from there.

• Withdrawal date ____/____/____ Payment period/period of enrollment start date ____/____/____ end date ____/____/____

• Percentage of payment period or period enrollment completed

Determine the calendar days completed in the payment period or period of enrollment divided by the total calendar days in the payment period or period of enrollment (exclude scheduled breaks of 5 days or more AND days that a student was on approved leaves of absence).

$$\frac{\text{completed days}}{\text{total days}} = \text{ . } \%$$

If this amount is less than or equal to 60%, enter this amount in Box C. If this amount is greater than 60% (with or without rounding), enter 100% in Box C.

C . %

3-27

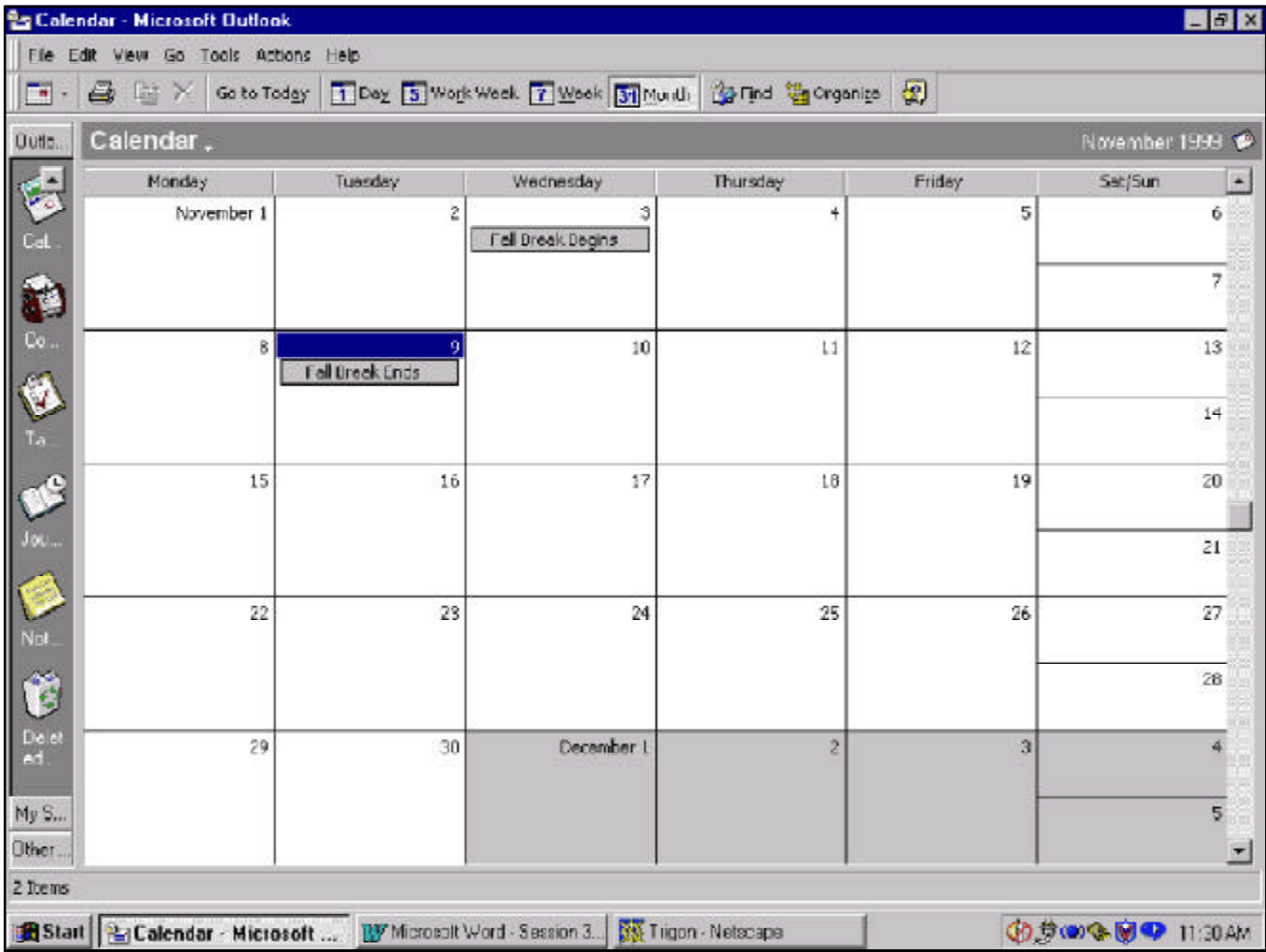
Credit-Hour Programs

- Use calendar days completed and calendar days in period
- Exclude scheduled breaks of five or more days
- Exclude all days between last day of classes before break and first day classes resume

3-28

The day the student withdraws is counted as a completed day.

Session Three—Return of Title IV Funds



Step 2: Credit Hour Programs

$$\begin{array}{rcl} & \text{Number of days completed} & \\ \div & \text{Number of days in period} & \\ \hline = & \text{Percentage completed} & \end{array}$$

3-30

Treatment of Title IV Funds When a Student Withdraws from a Clock Hour Program

Student's Name _____ Social Security Number _____

Date Form Completed ____/____/____ Date of the institution's determination that the student withdrew ____/____/____

Period used for calculation (check one) ☐ payment period ☐ period of enrollment

Monetary amounts should be in dollars and cents (rounded to the nearest penny). Round to three decimal places when calculating percentages. For example, .4486 would be .449, or 44.9%.

STEP 1: Student's Title IV Aid Information

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed	Amount Disbursed	Amount That Could Have Been Disbursed
1. Unsubsidized FFEL/Direct Stafford Loan	_____	_____		
2. Subsidized FFEL/Direct Stafford Loan	_____	_____		
3. Perkins Loan	_____	_____		
4. FFEL/Direct PLUS	_____	_____		
5. Pell Grant		_____		
6. FSEOG		_____		
7. Other Title IV programs*		_____		
* Do not include FWS.				
A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment				<div>A<div>\$</div><div>.</div></div>
B. Total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment				<div>B<div>\$</div><div>.</div></div>

STEP 2: Percentage of Title IV Aid Earned

C. • Withdrawal date ____/____/____

• Percentage of payment period or period enrollment completed

Calculation 1 – Determine the clock hours completed* in the payment period or period of enrollment divided by the total clock hours.

÷

total hours

=

%

completed hours

If this percentage is greater than 60%, enter 100% in Box C and proceed to Step 3.
If this percentage is less than or equal to 60%, proceed to Calculation 2.

Calculation 2 – Determine the clock hours completed* in the payment period or period of enrollment divided by the clock hours scheduled to be completed as of the date the student withdrew.

÷

scheduled to complete

=

%

completed hours

If this amount is less than 70%, enter the percentage from Calculation 1 in Box C and proceed to Step 3.
3. If this amount is 70% or greater, determine the clock hours scheduled to be completed as of the date the student withdrew divided by the total clock hours in the payment period or period of enrollment and enter this amount in Box C (this amount may be greater than 60%).

÷

total hours

=

%

scheduled to complete

* Excused absences do NOT count as completed hours.

C.

%

3-31

3-22

Reauthorization Training Spring 2000 Participant's Guide

Clock Hour Programs Calculation 1

- Divide clock hours completed by clock hours in period
 - Excused absences don't count as hours completed
- If percentage is greater than 60%, enter 100% for item C (percentage earned)
- If percentage is less than or equal to 60%, go to Calculation 2

3-32

To calculate the percentage of the period completed, the school has the option of using clock hours scheduled to be completed, if the ratio of hours completed to hours scheduled to completed is equal to or greater than 70%.

Clock Hour Programs Calculation 2

- Divide hours completed by hours scheduled to be completed
- Determine if student completed at least 70% of hours scheduled to be completed
 - If so, school may use scheduled hours in lieu of completed hours to calculate percentage of period completed
 - If not, enter percentage from Calculation 1 for item C

3-33

**Percentage of Period Completed
Clock Hour Program**

- Completed 205 of 450 clock hours for period
- Scheduled to complete 300 of 450 clock hours for period
- Ratio of clock hours completed to clock hours scheduled:
 $205:300 = 68.3\%$
- Student did not complete at least 70% of hours scheduled
- School *must use* 205 completed clock hours
- % period completed:
 $205/450 = 45.6\%$

3-34

STEP 2: Percentage of Title IV Aid Earned

C. • Withdrawal date ____/____/____

• Percentage of payment period or period enrollment completed

Calculation 1 – Determine the clock hours completed* in the payment period or period of enrollment divided by the total clock hours in the payment period or period of enrollment

$$\frac{\boxed{205}}{\text{completed hours}} \div \frac{\boxed{450}}{\text{total hours}} = \underline{45.6} \%$$

If this percentage is greater than 60%, enter 100% in Box C and proceed to Step 3.

If this percentage is less than or equal to 60%, proceed to Calculation 2.

Calculation 2 – Determine the clock hours completed* in the payment period or period of enrollment divided by the clock hours scheduled to be completed as of the date the student withdrew.

$$\frac{\boxed{205}}{\text{completed hours}} \div \frac{\boxed{300}}{\text{scheduled to complete}} = \underline{68.3} \%$$

If this amount is less than 70%, enter the percentage from Calculation 1 in Box C and proceed to Step 3. If this amount is 70% or greater, determine the clock hours scheduled to be completed as of the date the student withdrew divided by the total clock hours in the payment period or period of enrollment and enter this amount in Box C (this amount may be greater than 60%).

$$\frac{\boxed{}}{\text{scheduled to complete}} \div \frac{\boxed{}}{\text{total hours}} = \underline{} \%$$

*Excused absences do NOT count as completed hours.

C **45.6%**

3-35

Percentage of Period Completed Clock Hour Program

- Completed **245** of 450 clock hours for period
- Scheduled to complete **306** of 450 clock hours for period
- Ratio of clock hours completed to clock hours scheduled:
245:306 = 80.1%
- Student completed at least 70% of hours scheduled
- School *may use* **306** completed clock hours
- % period completed:
306/450 = 68.0%

3-36

STEP 2: Percentage of Title IV Aid Earned

C. •Withdrawal date ____/____/____

•Percentage of payment period or period enrollment completed

Calculation 1 – Determine the clock hours completed* in the payment period or period of enrollment divided by the total clock hours in the payment period or period of enrollment

$$\frac{\boxed{245}}{\text{completed hours}} \div \frac{\boxed{450}}{\text{total hours}} = \underline{54.4} \%$$

If this percentage is greater than 60%, enter 100% in Box C and proceed to Step 3.

If this percentage is less than or equal to 60%, proceed to Calculation 2.

Calculation 2 – Determine the clock hours completed* in the payment period or period of enrollment divided by the clock hours scheduled to be completed as of the date the student withdrew.

$$\frac{\boxed{245}}{\text{completed hours}} \div \frac{\boxed{306}}{\text{scheduled to complete}} = \underline{80.1} \%$$

If this amount is less than 70%, enter the percentage from Calculation 1 in Box C and proceed to Step 3. If this amount is 70% or greater, determine the clock hours scheduled to be completed as of the date the student withdrew divided by the total clock hours in the payment period or period of enrollment and enter this amount in Box C (this amount may be greater than 60%).

$$\frac{\boxed{306}}{\text{scheduled to complete}} \div \frac{\boxed{450}}{\text{total hours}} = \underline{\hspace{1cm}} \%$$

*Excused absences do NOT count as completed hours.

C **68.0%**

3-37

Percentage Title IV Aid Earned Credit Hour and Clock Hour Programs

- 60% threshold can't be reached by rounding up
- For clock hours programs, 60% threshold can't be reached by using hours scheduled to be completed

3-38

Percentage Title IV Aid Earned Threshold Guidelines

- 60% threshold can't be reached by rounding up
 - .5995 percentage completed rounds to 60.0%
Percentage earned = 60.0%, not 100%
- If percentage completed exceeds 60%, percentage earned = 100%
 - .6001 percentage completed rounds to 60.0%
Percentage earned = 100%

3-39

Step 3: Amount of Title IV Aid Earned by the Student

$$\begin{array}{rcl}
 & \text{Percentage of Title IV aid earned} & \text{(C)} \\
 \text{X} & \text{Total Title IV disbursement} & \text{(B)} \\
 & \hline
 = & \text{Amount of Title IV aid earned} & \text{(D)}
 \end{array}$$

3-40

Step 4: Total Title IV Aid to be Disbursed or Returned

Determine if student is due Post-withdrawal disbursement

$$\begin{array}{rcl}
 & \text{Amount of Title IV aid earned} & \text{(D)} \\
 - & \text{Title IV aid disbursed} & \text{(A)} \\
 & \hline
 = & \text{Post-withdrawal disbursement due} & \text{(E)}
 \end{array}$$

3-41

If no post-withdrawal disbursement is due, loans “that could have been disbursed” must be cancelled.

Post-Withdrawal Disbursement Tracking Sheet					
Student's Name _____		Social Security Number _____			
Amount of Post-Withdrawal Disbursement					
A. Amount from Box E of "Treatment of Title IV Funds When a Student Withdraws" Worksheet	A	\$			
Post-Withdrawal Disbursement Credited to Student's Account					
B. Total outstanding charges on student's account	B	\$			
C. Total amount of post-withdrawal disbursements credited to student's account					
<ul style="list-style-type: none"> • Amount of post-withdrawal disbursement credited for tuition, fees, room and board (if student contracts with the institution) \$ _____ • Amount of post-withdrawal disbursement credited for other current charges + \$ _____ • Amount of post-withdrawal disbursement credited for minor prior year charges + \$ _____ 			C	\$	
D. Student and/or parent authorization to credit account for other current charges or minor prior year charges (if necessary) obtained on ____/____/____					
E. If a post-withdrawal disbursement of loan funds is credited to account, date of notification to student and/or parent ____/____/____					
Post-Withdrawal Disbursement Offered to Student/Parent					
F. Total amount of post-withdrawal disbursement (Box A) – amount of post-withdrawal disbursement credited to student's account (Box C) = Total amount to offer to student/parent	F	\$			
G. Notification sent to student and/or parent on ____/____/____					
H. <input type="checkbox"/> Response received from student/parent on ____/____/____					
<input type="checkbox"/> Response not received					
I. Amount accepted	I	\$			
J. Accepted funds sent on ____/____/____					
Post-Withdrawal Disbursement Made From					
Pell Grant _____	Subsidized FFEL/Direct Stafford Loan _____				
FSEOG _____	Unsubsidized FFEL/Direct Stafford Loan _____				
Other Title IV programs (grants) _____	Perkins Loan _____				
	FFEL/Direct PLUS _____				
	Other Title IV programs (loans) _____				

3-42

Make post-withdrawal disbursements in the order of funds that most benefits the student - but always grants before loans.

Post-Withdrawal Disbursements

- Must be made from available grant funds before available loan funds
- Within 90 days of school's determination that student withdrew
- Credit student's account for outstanding current period charges
 - May include minor prior academic year charges

3-43

If loan funds are used to credit the student's account, notify the student (or parent) within 30 days to give opportunity to cancel all or part of the loan.

Post-Withdrawal Disbursements (cont.)

- Offer remaining post-withdrawal disbursement to student
 - Within 30 days of school's determination that student withdrew
 - In writing
 - Identify type and amount of funds
 - Explain option to accept/decline all or part
 - Advise that response must be received within 14 days of date of notice

3-44

Post-Withdrawal Disbursements (cont.)

- If no response, no further disbursement is made
- If receive timely response requesting disbursement, must disburse within 90 days of school's determination of withdrawal
- If receive late response requesting disbursement, school may disburse or not
- If school opts not to disburse due to late response, must send notice (in writing or electronically) of outcome of request

3-45

If the notice is sent electronically, the school must retain electronic receipts as documentation that the notice was sent and received.

Post Withdrawal Disbursement (cont.)

- Student is due disbursement of \$750.00
 - \$300.00 in Pell
 - \$450.00 in Perkins
- Outstanding balance on account is \$500.00
 - \$350.00 for remaining tuition and fees
 - \$100.00 for parking fines
 - \$ 50.00 for library fines
- School has no authorization to cover non-educationally related expenses

3-46

Post Withdrawal Disbursement (cont.)

- Credit student's account for \$350.00
 - No authorization to cover parking and library fines
- Use available grants before available loans
 - \$300.00 Pell
 - \$ 50.00 Perkins
- In writing, offer student remaining portion of post-withdrawal disbursement

3-47

Step 4: Total Title IV Aid to be Disbursed or Returned

- If no post-withdrawal disbursement is due, determine how much Title IV aid to return

Title IV Aid Disbursed	(A)
– Amount of Title IV Aid Earned	(D)
<hr style="width: 30%; margin-left: 0;"/>	
= Total Title IV Aid to be Returned	(F)

3-48

Title IV aid that could have been disbursed is not considered in calculating the amount of aid that must be returned.

Step 5: Amount of Unearned Title IV Aid Due from School

School returns lesser of

Institutional charges x Percentage unearned (I)

and

Amount of Title IV aid to be returned (F)

3-49

Step 5 Institutional Charges

Institutional Costs = Educational Expenses

- Tuition and fees
- Room and board
- Books, supplies, equipment, etc. that students must purchase from school

Non-Institutional Costs

- Course materials that students can buy elsewhere
- Pass-through charges for room and board
- Group health insurance, if required of all students and stays in effect

3-50

See Policy Bulletin, January 7, 1999, for more information on allowable institutional charges.

Step 5

Percentage of Title IV Aid Unearned

$$\begin{array}{rcl}
 & 100\% & \\
 - & \text{Percentage of Title IV aid earned} & \\
 \hline
 = & \text{Percentage of Title IV aid unearned} &
 \end{array}$$

3-51

Step 6: Return of Funds by School

Loans

Unsubsidized Federal Stafford loans
 Subsidized Federal Stafford loans
 Unsubsidized Direct Stafford loans
 Subsidized Direct Stafford loans
 Perkins loans
 Federal PLUS loans
 Direct PLUS loans

3-52

Step 6: Return of Funds by School

Grants

Federal Pell Grant

Federal SEOG

Other Title IV Assistance

3-53

Step 6: Return of Funds by Student

- Return loan funds before grant funds
- Return funds to program ASAP, but no later than 30 days after determining withdrawal

3-54

Step 7: Initial Amount of Unearned Title IV Aid Due from Student

Amount of Title IV aid to be returned (F)
 – School's responsibility (J)

 = Student's responsibility (K)

3-55

Step 8: Return of Funds by Student

Loans

Unsubsidized Federal Stafford loans
 Subsidized Federal Stafford loans
 Unsubsidized Direct Stafford loans
 Subsidized Direct Stafford loans
 Perkins loans
 Federal PLUS loans
 Direct PLUS loans

3-56

Step 8: Return of Funds by Student

Grants

Federal Pell Grant x 50%

Federal SEOG x 50%

Other Title IV Assistance (x 50% for grants)

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Step 8: Return of Funds by Student

- Loans are returned (repaid) in accordance with terms of promissory notes
- Grant repayments limited to 50% of unearned grant received
- School must follow guidelines in dealing with grant overpayments

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Grant Overpayments School's Responsibilities

- Within 30 days of determining student's withdrawal, school must send student notice
- Student retains eligibility for title IV funds for initial 45-day period, during which one of the following should happen:
 - Repayment in full
 - Satisfactory repayment arrangement with school
 - Satisfactory repayment arrangement with Department

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Grant Overpayments School's Responsibilities

- Must report overpayment to NSLDS
 - Mark appropriate flag corresponding to action taken
- Must report within 30 days after
 - Student takes timely action on options offered
 - Student fails to repay overpayment or sign agreement with school within 45 day period
 - Student fails to meet terms of agreement signed with school

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